

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF IOWA

RECEIVED

AUG 28 2012

**CLERK OF DISTRICT COURT
SOUTHERN DISTRICT OF IOWA**

THE GRAND JURY CHARGES:

Introductory Allegations

1. At all times material, the defendant, BEVERLY JOAN DERONDE, resided in Pella, Iowa, in the Southern District of Iowa.
2. DERONDE began borrowing money from relatives, friends and acquaintances in 2003.
3. DERONDE provided various reasons as to why she needed the money, which usually involved purchasing a surprise "gift" for her husband's birthday or anniversary.
4. DERONDE would tell her victims that they needed to keep the loan a secret so that her husband would not find out and ruin the surprise.
5. DERONDE promised to pay high amounts of interest on the loans.
6. DERONDE would often provide a check including additional funds for interest, at the same time she obtained the loan, indicating in the memo portion of the check the date it could be deposited.
7. DERONDE contacted her victims by telephone or the U.S. Mail, extending the date when her check could be deposited.

8. DERONDE repaid a small percentage of these loans as promised, in an effort to gain the victim's confidence and solicit more funds.

9. DERONDE borrowed money from some victims to repay earlier loans from other victims.

10. DERONDE told several victims that she had a certificate of deposit that was due to mature, which she would use to repay the loans.

11. DERONDE did not use the money from her victims to buy gifts for her husband, but instead used the money to purchase antiques, jewelry, and other personal items.

12. The scheme began falling apart in early June, 2010, when DERONDE failed to generate enough new loans to maintain repayments on older loans, and numerous victims were demanding their money.

13. On June 17, 2010, DERONDE sent a certified letter to her victims, claiming she was seeking help for her problem of "spending beyond my means". The letter further stated that the victims were to have no further contact with DeRonde or her husband on the advice of their attorney.

14. DERONDE filed a Chapter 7 bankruptcy petition on June 24, 2010.

15. At the first meeting of creditors, DERONDE admitted she never had a certificate of deposit, and that she borrowed money to pay off earlier loans and to buy more things.

THE GRAND JURY CHARGES:

COUNTS 1-12
(Mail Fraud)

16. The Grand Jury re-alleges paragraphs 1-15 of the Introductory Allegations as

if fully set forth herein.

17. Beginning in or about January, 2003, and continuing through on or about June 17, 2010, in the Southern District of Iowa, the defendant, BEVERLY JOAN DERONDE, did knowingly and willfully devise and participate in, and intended to devise and participate in, a scheme and artifice to defraud, and to obtain money and property by means of material false and fraudulent pretenses, representations, promises and omissions of material fact.

18. It was a part of the scheme and artifice to defraud that DERONDE would approach individuals asking them to loan her money for a surprise birthday or anniversary present for her husband.

19. It was a further part of the scheme and artifice to defraud that DERONDE would sometimes falsely report to individuals she borrowed money from that she had a certificate of deposit she would be able to use to repay their loans.

20. It was a further part of the scheme and artifice to defraud that DERONDE would promise to pay large amounts of interest on the loans.

21. It was a further part of the scheme and artifice to defraud that DERONDE would sometimes write the individuals a check repaying the loan, including interest, at the time she asked to borrow the money. DERONDE would then instruct the individual not to negotiate the check until a later date.

22. It was a further part of the scheme to defraud that DERONDE would write letters to the individuals she borrowed money from, including varying excuses as to why she was unable to repay the loan when promised, and promising a new date by which she would have the money. In these letters, the defendant would often instruct the individuals that they needed to keep the

loan secret from her husband.

23. It was a further part of the scheme to defraud that DERONDE did not use the money to purchase any gifts for her husband, but instead used the money to purchase antiques, purses, jewelry, Rolex watches, and other consumer items.

24. It was a further part of the scheme to defraud that DERONDE borrowed money from individuals to repay loans she had previously obtained from other individuals.

25. On or about the following dates, in the Southern District of Iowa, the defendant, BEVERLY JOAN DERONDE, for the purpose of executing the scheme and artifice to defraud and attempting to do so, did knowingly cause to be placed in an authorized depository for mail matter, to be sent and delivered by the postal service or commercial interstate carrier, according to the directions thereon, letters to her victims, including but not limited to the following individuals, designed to forestall their complaints and to postpone their inquiries, each mailing being a separate count of this Indictment:

<u>Count</u>	<u>Date</u>	<u>Victim</u>
1	February 24, 2003	A. & F. R.
2	April 9, 2004	A. & F.R.
3	March 19, 2005	A. & F.R.
4	October 28, 2005	A. & F.R.
5	November 16, 2007	A. & W. B.
6	December 2, 2008	B.D.
7	August 25, 2009	E. V.D.

<u>Count</u>	<u>Date</u>	<u>Victim</u>
8	October 30, 2009	A. V.D.
9	December 20, 2009	B. R.
10	December 23, 2009	C & S V.Z.
11	May 18, 2010	D. & P. D. B.
12	June 17, 2010	W.S.

Each being a separate violation of Title 18, United States Code, Section 1341.

THE GRAND JURY FURTHER FINDS:

NOTICE OF FORFEITURE

Upon conviction of one or more of the mail fraud offenses alleged in this Indictment, defendant BEVERLY JOAN DERONDE shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(7), all property, real and personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense, including but not limited to the following:

- (a.) A money judgment equal to at least \$731,950.00 in United States currency, representing the amount of proceeds obtained as a result of the mail fraud offense;
- (b.) The property found in defendant's residence and her storage unit, that was purchased with proceeds obtained as a result of the mail fraud offense; and
- (c.) Any property gifted to other individuals, including but not limited to L.K., that was purchased with proceeds obtained as a result of the mail fraud offense.

If any of the above described forfeitable property, as a result of any act or omission of the defendant:

(1) cannot be located upon the exercise of due diligence;
(2) has been transferred, sold to or deposited with a third person;
(3) has been placed beyond the jurisdiction of the Court;
(4) has been substantially diminished in value; or
(5) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p) as incorporated by 18 U.S.C. § 982(b), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property described above.

A TRUE BILL.

/s/

FOREPERSON

Nicholas A. Klinefeldt
United States Attorney

By: /s/ Mary C. Luxa
Mary C. Luxa
Assistant United States Attorney